



STANDING COMMITTEE ON SOCIAL AFFAIRS

REVIEW REPORT ON THE CONSUMER COUNCIL OF FIJI 2016 ANNUAL REPORT



PARLIAMENT OF THE REPUBLIC OF FIJI
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CHAIRMAN'S FOREWORD

I am pleased to present the Committee Review Report on the Consumer Council of Fiji 2016 Annual Report.

It was pleasing to note that despite the devastation of Tropical Cyclone in 2016, which left a trail of destruction, the effects of which are being felt by the consumers, nevertheless, robust consumption and investment activities by the Council continued in this period.

In 2016, the Council remained focused in resolving consumer complaints and providing sound advice to Fijians who sought redress for unfair treatment in the marketplace. The Council registered a total of 1,365 cases during the seven months of 2016, worth \$2,963,326 out of which 1,011 cases with a value of \$1,551,221 was recovered from traders/service providers.

The Council has played a positive and assertive role in achieving a marketplace where consumers are well informed, confident and protected from unlawful, deceptive, misleading or otherwise objectionable practices. The year marked enormous achievements by the Council bringing smiles to the faces of Fijians through the passing of the Fair Reporting of Credit Act of 2016 to regulate Data Bureau Ltd followed by the launching of Fiji's ever National Consumer Helpline – a toll free telephone service that provides direct access to consumers irrespective of where they live in Fiji.

I thank the Deputy Chairperson, Hon. Veena Bhatnagar, Members, Hon. Salote Radrodoro, Hon. Ruveni Nadalo, Hon. Anare T. Vadei and Hon. Ratu Tevita Niumataiwalu as an alternate member for their contribution towards the scrutiny and formulation of this bipartisan Report.

On behalf of the Standing Committee on Social Affairs I commend this Report to Parliament.



Hon. Viam Pillay

Chairperson of the Social Affairs Standing Committee

RECOMMENDATIONS

The Standing Committee on Social Affairs has conducted a review of the Consumer Council of Fiji 2016 Annual Report and has few recommendations to be brought to the attention of the House:

Recommendation 1:

- The Committee recommends that all enforcement agencies strengthen their surveillance of standards on imported goods.

CCoF Response:

- There is a need to develop standards on imported goods to improve quality and safety of these items. Surveillance can only work if we have standards.

Recommendation 2:

- The Committee recommends that the Council strengthens their outreach awareness to control the high volume of non-genuine calls on their toll-free number.

CCoF Response:

- Currently we call the number which makes prank call and we speak to the parents or the elderly in the family regarding non-genuine calls. we also warn them that the Council will bar the number.

Recommendation 3:

- The Committee recommends that insurance companies provide customers with product disclosure statements to enable customers for more informed decisions.

CCoF Response:

- Strongly support the recommendation.

INTRODUCTION

The Consumer Council of Fiji (CCOF) is a statutory organisation established under the Consumer Council of Fiji Act -1976 (Cap 235). The Council is funded by taxpayers, through the Ministry of Industry and Trade. CCOF provides the external pressure as a watchdog to create a fair and just delivery of goods and services. First and foremost, the Council is an advocacy organisation. It campaigns to bring about changes by lobbying the Government, businesses and regulators for the introduction of legislation that will improve consumers' welfare. The Council tackles unfair practices and exposes companies, regulators and service providers that fail consumers.

The functions of the Council as per the Act are to:

- Advise the Minister on such matters affecting the interests of the consumers
- Make representations to the Government or to any other person/organisations on any issues affecting the interests of consumers
- Collect, collate and disseminate information in respect of matters affecting the interests of consumers
- Conduct research and investigations into matters affecting consumers
- Advise and assist consumers on matters affecting their interests
- Give evidence at any investigation or inquiry
- Support or maintain legal proceedings contemplated or initiated by a consumer.

The Parliament at its sitting on 17th April, 2018 referred the Consumer Council of Fiji 2016 Annual Report to the Standing Committee on Social Affairs for review and collation of information which included a presentation from the Consumer Council of Fiji. This assisted the Committee members to analyse the organization's operations, achievements and challenges encountered during the financial year.

The discussions basically focused on the Consumer Council of Fiji's administration and gender breakdown, organizational structure, functions, policies/programs in place, budgetary allocation, achievements and challenges.

This report consists of the Committee's recommendations, findings, gender analysis and conclusion.

FINDINGS

The Committee during its deliberation on Tuesday, 29th May, 2018 received submission from Consumer Council of Fiji and collated the following findings:

1. The Committee noted that Data Bureau Fiji Limited was never beneficial to the consumers as it had poor record keeping on the consumers' credit worthiness. Fiji Data Bureau was an obstacle to consumers who wanted to access credit to improve their quality of life. As a privately owned company it operated under a disclaimer. There was a glaring absence of legal and institutional protection for consumers (and individuals in general).

The Committee noted the enactment of the new Fair Reporting of Credit Act of 2016.

2. The Committee also noted that the demand for counterfeit products in Fiji is driven by the high prices of genuine or branded products which are beyond the reach of many consumers. Unfortunately, there are limited standards on the goods that are imported into Fiji.

3. The Committee was pleased to note that the CCOF:

- Has made a submission to Fiji Commerce Commission (Now FCCC) on the Review of Commerce (Control of Prices for Supply of Electricity and Ancillary Services).
- Had conducted public awareness for the benefit of consumers and also to urge service providers to comply with national laws/policies.
- Conducted consumer awareness programs were conducted on rights and responsibilities as far as utility services are concerned.

4. The Committee noted that during 2016-2017 financial year, the Council received 7,422 calls out of which only half were genuine calls.

GENDER ANALYSIS

Gender is a critical dimension to parliamentary scrutiny. Standing Orders 110 (2) stipulates that “the Committee shall ensure full consideration will be given to the principle of gender equality so as to ensure all matters are considered with regards to the impact and benefit on both men and women equally”. Under the Mobile Unit Awareness that was created in public, the Council visited the Community to reach out and support the most vulnerable customers and Council targeted the women’s clubs. It was highlighted that the Council reached out to 897 consumers with 486 males and 411 females directly benefitted from this Awareness.

CONCLUSION

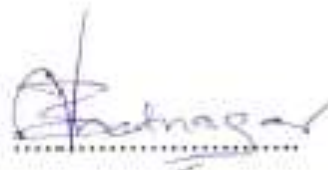
The review of the Consumer Council of Fiji 2016 Annual Report was conducted in a comprehensive manner which covered all the required aspects.

The Committee commends the overall performance of CCOF and acknowledges the response and clarifications on issues raised during their presentation, however, there are a few recommendations for appropriate actions.

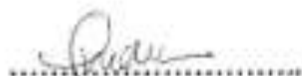
SIGNATURES OF MEMBERS OF THE SOCIAL AFFAIRS STANDING COMMITTEE



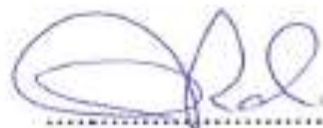
Hon. Viam Pillay
(Chairperson)



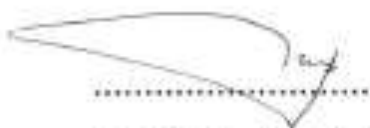
Hon. Veena Bhatnagar
(Deputy Chairperson)



Hon. Salote Radrodro
(Member)



Hon. Anare T. Vadei
(Member)



Hon. Ruveni Nadalo
(Member)



Hon. Ratu Tevita Niumataiwalu
(Alternate Member)

APPENDICES

APPENDIX 1: LIST OF ACRONYMS

Acronyms	Meaning
SO	Standing Orders
CCOF	Consumer Council of Fiji
FCCC	Fijian Competition and Consumer Commission

APPENDIX 2: POWERPOINT PRESENTATION BY THE CONSUMER COUNCIL OF FIJI



CONSUMER COUNCIL OF FIJI ANNUAL REPORT JANUARY TO JULY 2016

Consumer Council of Fiji
29 May 2018

Presentation made to Standing Committee on Social Affairs

1

PRESENTATION OUTLINE

- About the Organisation
- Policies
- Organisation Structure
- Budget Allocation
- Questions

Presentation made to Standing Committee on Social Affairs

2

ABOUT THE ORGANISATION

- Consumer Council of Fiji Act -1976
- Government Statutory Organization
- MITT→Board→CEO
- 7 Board Members (One member resigned in December 2016)
- 3 Offices in Fiji: Lautoka, Suva & Labasa
- Staff (total - 31)
 - Suva – (25)
 - Lautoka (3)
 - Labasa (3)

ROLE OF THE COUNCIL

Section 6 of the Act outlines the functions of the Council. **Section 6(1)** states:

"The functions of the Council shall be to do all such acts and things which it may consider necessary or expedient to ensure that the interests of consumers of goods and services are promoted and protected".

FUNCTIONS OF THE COUNCIL AS PER THE ACT

- **Advise** the Minister on such matters affecting the interests of the consumers
- **Make** representations to the Government or to any other person/organisations on any issues affecting the interests of consumers
- **Collect**, collate and disseminate information in respect of matters affecting the interests of consumers
- **Conduct** research and investigations into matters affecting consumers
- **Advise** and assist consumers on matters affecting their interests
- **Give evidence** at any investigation or inquiry
- **Support** or maintain legal proceedings contemplated or initiated by a consumer.

COUNCIL'S LEGAL MANDATE

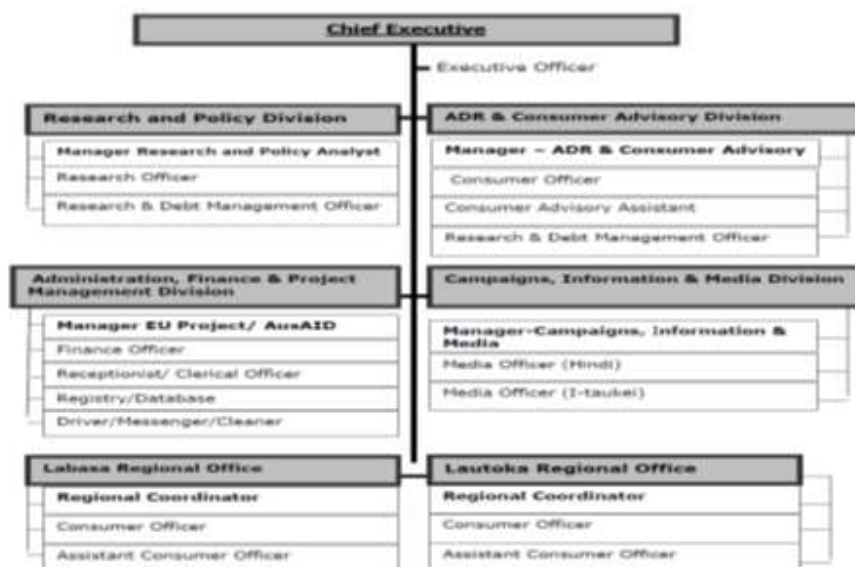
- As an advocacy organisation, the Council lobbies with policy makers to bring about reforms that will benefit consumers.
- The Council is not an enforcement agency

SERVICES OFFERED BY COUNCIL

- ❖ Campaigns, Media & Information Services
- ❖ Research and Policy Analysis
- ❖ Consumer Advisory & ADR Services
- ❖ Debt Management and Consumer Credit Advisory Services (Financial Matters)NEW
- ❖ National Consumer Helpline.....NEW

Government Grant

To deliver the targets, the Council received a Government grant of \$661,587 VIP for 7 months



2016 ANNUAL REPORTS

COMMITTEE'S QUESTIONS

How effective is the National Consumer Helpline?

- The platform has provided an easy access for consumers to either lodge complaints or seek advice from the comfort of their homes or from anywhere without having to pay for the calls. The service is available to the public – 24 hours a day.
- Consumers can call toll-free no# 155 irrespective of which telecommunication company they are subscribed to.
- NCH was launched (14 July 2016) 2 weeks before the financial year ended on 31 July 2016.
- Within 2 weeks the Council registered 125 complaints and 63 consumers sought advice.
- During 2016-2017 financial year, we received 7422 calls and half was genuine calls
- NCH is effective as it captures issues immediately as it happens for example price changes after national budget.

Can you elaborate on the role of the Fiji Mediation Centre and who all are benefitting from it and how?

- FMC resolves family disputes, commercial disputes & consumer disputes. Any type of civil dispute can be mediated.
- There is no limit to the type of dispute that can be mediated at FMC, nor any upper limit on the quantum or value of the claim in dispute.
- FMC has facilitated mediation in a range of commercial areas – such as banking, construction, information technology, insurance, partnership, shipping and tenancy disputes.
- FMC also offers Small Case Mediation Scheme that help parties to settle disputes where the sum of claim is F\$50,000 or less. Typically, cases include those involving tenancy, car repairs, and renovation matters etc.
- 45 matters have been mediated at FMC. 87% mediation cases have been settled.
- Mediated settlements are enforced as orders of court.

What are the benefits of Data Bureau Limited to the Council?

- Data Bureau Fiji Limited was never beneficial to the consumers as it had poor record keeping on the consumers' credit worthiness. Fiji Data Bureau was an obstacle to consumers who wanted to access credit to improve their quality of life. As a privately owned company it operated under a disclaimer.
- It is unfortunate that the Fiji Data Bureau was not taking any responsibility for uploading inaccurate credit information given by its paid members.
- The Council lobbied for ten long years to have the Data Bureau regulated. This is simply because Data Bureau could not hold its paying members accountable for the accuracy of the data.
- There was a glaring absence of legal and institutional protection for consumers (and individuals in general).

What are the benefits of Data Bureau Limited to the Council?

- The Council repeatedly called for a regulated credit reporting agency that was required to operate in accordance with laws and be held accountable for the information received or released by them.
- The enactment of Fair Reporting of Credit Act 2016 has been a relief for consumers in Fiji.
- In accordance with the Fair Reporting of Credit Act 2016, the agency is mandated to operate in a transparent manner and ensure that accurate credit information of consumers are collated and maintained at all times.

In 2016, the Council did a snap-check on all banks in regards to Residents Interest Withholding tax (RIWT)? What is the current update on the above?

- Snap check was done based on a complaint that ANZ was charging incorrect 'Resident Interest Withholding Tax' (RIWT) on interest earned by their customers.
- It was found ANZ was charging 31% RIWT whereas all other 5 banks were charging 20% RIWT instead of 10% in April 2016.
- Resident Interest Withholding Tax should have been 10% for 2016 and 20% for the period 2012 to 2015 and 31% for 2011
- After the Council's intervention, customer's interest were adjusted and necessary reimbursements were made.
- The Council advised consumers to check their bank statement

How successful is the Council with its discussions with stakeholders involved in property insurance?

1. Review of Insurance Act

It is mentioned in RBF report 2016.

2. Insurance Council of Fiji

- A meeting was held with the Prof. Geoff Boughton – Consultant for Insurance Council of Fiji and Ms. Sarah Jane Wild – General Manager Tower Insurance in March 2017.
- The Insurance Council intends to provide insurance to consumers who would be able to strap their roofs.
- The cost of strapping the roof would be much lower and insurance could be provided to low cost housing.
- How the strapping could be done is already in the *yellow book* used in the building industry. This book provides a guide to homeowners on how to upgrade their existing homes for cyclone.

How successful is the Council with its discussions with stakeholders involved in property insurance?

- The Consumer Council is working with Fiji Master Builders Association to ensure construction companies are licensed.

Construction Industry Council (CIC)

- The Consumer Council is a member of Construction Industry Council (CIC).
- The CIC also comprises of builders, architects, engineers, civil contractors, insurance providers, surveyors, valuers, OHS, Project Managers, etc.
- The CIC has taken the initiative to look into the following issues:
 - Fiji Standards
 - Fiji Construction Contracts
 - Registered Engineers
 - International Construction Measurement System
 - Licensing of Construction Personnel
 - Building Code
 - Education of Construction Industry
 - Tender Conditions

What has the Council done to rectify the counterfeit goods coming into the country and how has the consumers benefitting from this?

- The demand for counterfeit products in Fiji is driven by the high prices of genuine or branded products which are beyond the reach of many consumers.
- Unfortunately, there are limited standards on the goods that are imported into Fiji.
- The Council has for many years lobbied for the improvement of standards through appropriate reforms in existing standards bodies to enable them to be effective in standards-making, quality control and regulation.
- In the absence of mandatory standards, it is quite easy to import counterfeit goods to meet the demands of consumers.
- Council also monitors the market through surveillance visit and notifies the relevant authorities on any counterfeit goods that are unsafe.
- Awareness is also created on how to identify counterfeit products

Is there any initiative put in place by the Council to address unfair dealings?

- The Council conducts trader and service provider visits to monitor unfair trade practices in the marketplace.
- Regulators and enforcement agencies are alerted on the dealings.
- The Council conducts Awareness programmes with Traders/Service Providers to highlight issues faced by consumers and how to rectify the problems.
- Press Releases are issued against traders/service providers who are in breach of Consumer Protection Laws and market practices.
- Council is a member of various Boards and Committees where emerging consumer issues/concerns are discussed with the aim of addressing the same.
- Consumer Council has been strongly lobbying for the establishment of Consumer Complaints/Compensation Tribunal, which will make it easier for consumers to file their own claims against traders/service providers irrespective of the monetary value.

What has the Council done to rectify complaints related to utility problems?

- Handled complaints and resolved by way of mediation.
- Conducted public awareness for the benefit of consumers and also to urge service providers to comply with national laws/policies.
- Consumer awareness programs were conducted on rights and responsibilities as far as utility services are concerned.
- Submission to Fiji Commerce Commission (Now FCCC) on Review of Commerce (Control of Prices for Supply of Electricity and Ancillary Services).
- Submissions made to change policies that were unfair to consumers.
- Meetings with service providers on complaints received by the Council.

Looking at the top 10 complaints received, the most being electronic good (home) at 21%, what has the Council done to reduce this?

- Naming and shaming unscrupulous traders.
- Brands without factory.
- Lobbying for standards for electronic products.
- Awareness programmes with traders organised by FCCC on white goods.

Out of all the registered complaints, how many cases were resolved in 2016? What is the response time?

- Out of the 1365 complaints registered from January to July 2016, 1011 complaints were resolved in the said year.
- The response time for simple complaints can be on the same day through email. However, complex complaints can take up to 4 weeks.
- Some cases take few months to conclude which depends on the nature of the complaints.

On page 9, what has the Council done to address the issue encountered during the TC Winston to redeem the consumer's cyclone/flood insurance cover in order to safeguard their interest?


- The Consumer Council has assisted consumers who bought goods with insurance cover.
- Most of the complaints received were that most traders were refusing to process consumer's claim even though they had paid insurance on their household items.
- Upon the Council's intervention, most of these consumers were able to recover their losses and were compensated accordingly.


What is the update on the variable tax rate on SSBs based on composition of added sugar of 100ml as consumed being an issue raised during the National Budget Submissions?

- In the 2016 National Budget submission the Council proposed to consider tax rates based on composition of added sugar/100ml as consumed.
- The Councils proposal was bit cumbersome from tax monitoring point of view.
- Budget announcement was for excise tax on SSB to go up by 20 cents per litre.



APPENDIX 3: RESEARCH ANNUAL REPORT SUMMARY

<div>  <div> PARLIAMENT OF THE REPUBLIC OF FIJI Research and Library Services </div> <div> Annual Report Summary 2016/2017 </div> </div>		
Annual Report Summary- Consumer Council of Fiji 2016 Standing Committee on Social Affairs		
Vision- "To build an assertive consumer movement in Fiji" Mission- "Making the consumer voice count"		
Principal Activity	<p>The Consumer Council of Fiji (CCOF) is a statutory organisation established under the Consumer Council of Fiji Act - 1976 (Cap 235). The Council is funded by taxpayers, through the Ministry of Industry, Trade and Tourism. CCOF provides the external pressure as a watchdog to create a fair and just delivery of goods and services. First and foremost, the Council is an advocacy organisation. It campaigns to bring about changes by lobbying the Government, businesses and regulators for the introduction of legislation that will improve consumers' welfare. The Council tackles unfair practices and exposes companies, regulators and service providers that fail consumers.</p> <p>Section 6 of the Consumer Council Act stipulates the functions of the Council. The Council is required to do such acts and things it considers necessary or expedient to ensure that the interests of the consumers of goods and services are promoted and protected. These functions include:</p> <ul style="list-style-type: none"> • Advising the Minister on such matters affecting the interests of the consumers; • Making representations to the Government or to any other person/organisations on any issues affecting the interests of consumers; • Collecting, collating and disseminating information in respect of matters affecting the interests of consumers; • Supporting or maintaining legal proceedings initiated by a consumer, where such support is deemed necessary; • Conducting research and investigations into matters affecting consumers; • Advising and assisting consumers on matters affecting their interests; • Co-operating with any person, association or organisation outside Fiji having similar functions and becoming a member of or affiliate to any international organisation concerned with consumer matters; and • Soliciting and accepting for the purposes of the Council any money, land, or other property from the Government, any local authority, public body, organisation, or person by way of grant, subsidy, donation, gift, or otherwise. 	MPs Comments
Act in place	Consumer Council of Fiji Act -1976 (Cap 235)	
Organization Structure	There is Board of Directors, with one chair and 6 members	
Prepared by Shrutkeertes Devi Email: shrutkeertes.devi@govnet.gov.fj 2 May 2018		

<div>  <div> PARLIAMENT OF THE REPUBLIC OF FIJI Research and Library Services </div> <div> Annual Report Summary 2016/2017 </div> </div>		
<div> <div>Chief Executive Officer</div> <div> <div>Research & Policy Division</div> <div>Administration, Finance & Project Management Division</div> <div>Labasa Regional Office</div> </div> <div> <div>Executive Officer</div> <div>Alternative Dispute Resolution & Consumer Advisory Division</div> <div>Campaigns, Information & Media Division</div> <div>Lautoka Regional Office</div> </div> </div>		
Projects	<ul style="list-style-type: none"> • The passing of the Fair Reporting of Credit Act of 2016 by the Parliament was another achievement the Council was proud to be a part of, as it had been lobbying for the past 10 years to regulate the Data Bureau Limited (DBL). • The Council launched country's first ever National Consumer Helpline (NCH). A massive media campaign was launched, with the Council partnering with four media organisations (The Fiji Times, Fiji Sun, FBC and Fiji TV) to publicise the toll-free number and for NCH-related articles to be published/broadcast free of charge. • VAT Monitoring- The Council played a lead role with the Fiji Revenue and Customs Authority (FRCA) and the Fiji Commerce Commission (FCC) to monitor and assist in exposing those unscrupulous traders and service providers that did not pass on the gains from the VAT reduction to consumers. By 31 May 2016, the Council had compiled a total of 148 VAT-related complaints and queries. Consequently, FRCA collected \$700,000 in fines from supermarkets, a cinema company, stores, restaurants and car dealers for non-compliance. • Closure of Data Bureau Limited-Decade-long lobbying by the Council to have the Data Bureau Limited regulated, finally saw the enactment of the Fair Reporting of Credit Act 2016, which came into effect on 27 May 2016. The handing over of credit history data to the Reserve Bank of Fiji meant a new start for consumers. This was a big win for consumers and a major achievement for the Council - a result of 10 long years of lobbying to get the Data Bureau regulated. This line of business needed a proper legislative structure and ground rules, particularly when peoples' sensitive financial details were being traded. • Banks Error Rectified-The Council unveiled yet another reckless practice by six commercial banks operating in Fiji. A complaint driven snap-check by the Council revealed that all banks had committed an error in the 	
Prepared by Shrutkeertes Devi Email: shrutkeertes.devi@govnet.gov.fj 2 May 2018		



	<p>application of the 'Resident Interest Withholding Tax' (RIWT) on interest earned by their customers. All six banks (BSP, Westpac, Baroda, HFC, Bred Bank and ANZ) charged incorrect RIWT on interest earned. FRCA imposed a reduced 10% RIWT effective from 1 January 2016 but the banks continued to charge 20%. The Council brought this to the attention of the banks as well as FRCA and RBF to rectify the error. Two media releases were issued to highlight the issue and to advise the consumers to check their respective bank statements.</p> <ul style="list-style-type: none"> • JEVIC reintroduced-The Council advocated for the re-introduction of JEVIC (Japan Export Vehicle Inspection Centre) to ensure Fijian consumers have access to quality second-hand vehicles imported from Japan. Effective from 13 August 2016, vehicles imported from Japan would pass through the watchful eyes of JEVIC before being shipped to Fiji. JEVIC assessment will identify structurally non-compliant vehicles with significant damage from/corrosion/fire/flood, have the odometer verified against the vehicle and its export certificate, and, ensure the vehicle is not a stolen vehicle before it reaches Fiji. • Fiji Mediation Centre-good news was the setting up of the Fiji Mediation Centre (FMC) which is now operational, with consumers and businesses slowly opting to use the services of the FMC. The Council is greatly indebted to its donor-partner, the European Union (EU), for supporting the promotion and awareness of mediation as a mechanism to resolve complaints and the importance of the role of FMC. The Council organized a Mediators' Forum and a Stakeholders' Seminar jointly with the Judicial Department to create awareness so that consumers and businesses can use the FMC to resolve disputes. • Counterfeit Cosmetics-With the Council's intervention, a local boutique was exposed and taken to task for selling fake make-up products. The Council carried out investigations against Tulips Beauty Fashion. The boutique had advertised that the MAC Cosmetics retailed were authentic. The Council wrote to the original MAC Cosmetics Company based in New York through its official website. The company responded that Tulips Beauty & Fashion was not their customer and it was retailing fake MAC Cosmetics. The online web page through which the company was ordering and receiving goods in Fiji was shut down due to the legal efforts of the New York-based parent MAC Company. • Biosecurity and Council sign MOU-the Biosecurity Authority of Fiji (BAF) and Consumer Council of Fiji signed a Memorandum of Understanding (MOU) to enable sharing of information and cooperation between both agencies for the benefit of the Fijian consumers. • The Consumer Protection Bill is in its draft stages. • Jewellery stores weighing machines questionable- The Council conducted a complaints-driven snap survey covering sixteen jewellery stores in the Central, Northern and Western Divisions to establish whether their weighing machines were calibrated. It was found that the weighing machines in all sixteen stores surveyed did not have valid weighing stickers on their machines to indicate that they were calibrated by the Department of Weights and Measures. • The Ministry of Health conducted an inspection of the facilities of the two major flour manufacturing 	
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Prepared by Shrutkeertes Devi Email: shrutkeertes.devi@govnet.gov.fj 2 May 2018

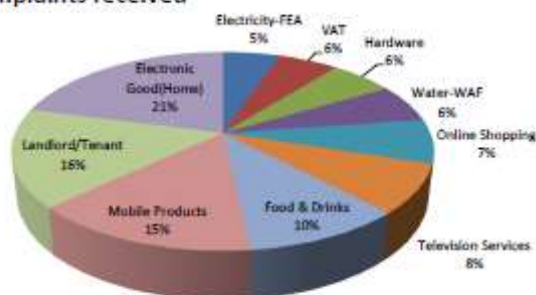


	<p>companies i.e. Punjes & Sons and Flour Mills of Fiji. This was proposed by the Council to resolve ongoing complaints by consumers regarding weevil and maggot infestations in flour and wheat products.</p> <ul style="list-style-type: none">• The Ministry of Education amended its policy of free distribution of milk to Year One students in schools after the Council's intervention. The issue was the distribution of milk that had gone past its expiry date. The Council together with the Ministry discovered that such milk was indeed kept in school. A circular was sent by the Ministry of Education to all school heads regarding this and the policy was reviewed for amendment, as there was nothing mentioned on what action should be taken if in case, the milk has exceeded its 'Use By' date, or, if limited time is left before the expiry date.• The Council referred 60 complaints to the Small Claims Tribunal (SCT) with a monetary value of \$56,342.99 by assisting consumers with the filling up of SCT forms; 22 consumers were in Suva, 13 in Lautoka and 1 in Labasa.															
Other information	<p>Summary of Consumer Complaints</p> <table><tr><th></th><th>Central</th><th>Western</th><th>Northern</th><th>Total</th></tr><tr><td>Total no. of received & registered complaints</td><td>938</td><td>260</td><td>167</td><td>1365</td></tr><tr><td>Total no. of cases (including pending cases) resolved in the year</td><td>675</td><td>217</td><td>119</td><td>1011</td></tr></table>		Central	Western	Northern	Total	Total no. of received & registered complaints	938	260	167	1365	Total no. of cases (including pending cases) resolved in the year	675	217	119	1011
	Central	Western	Northern	Total												
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Total no. of cases (including pending cases) resolved in the year	675	217	119	1011												

Prepared by Shrutkeertes Devi Email: shrutkeertes.devi@govnet.gov.fj 2 May 2018



Top 10 complaints received



Impact from National Budget Submissions

No.	Council's Request	Result
1	Government to remove the 3% credit card levy	Levy of 3% was removed from 1 st August, 2016
2	Government to introduce 15% health tax on energy drinks to deter younger generation of drinkers and assist in reducing risks of NCDs.	Excise tax for sugar sweetened drinks was increased by 20 cents per litre
3	Consider a variable tax rate on SSBs based on composition of added sugar/100ml as consumed	
4	Off-shore vehicle inspection and certification system such as JEVIC should be implemented	JEVIC reintroduced effective from 15 August 2016
5	Government to speed up the setting up of the Consumer Complaints/Compensation Tribunal	\$200,000 was allocated towards setting up of the Tribunal

Prepared by Shrutkeertes Devi Email: shrutkeertes.devi@govnet.gov.fj 2 May 2018



Financial Position	31 July 2016 (\$)	31 December 2015 (\$)
Total Assets	322,257	210,438
Total Liabilities	259,902	123,685
Net Assets	62,355	86,753
Total Income	592,977	688,604
Total Expenditure	567,846	674,216
Net Surplus	25,131	14,388
Total Accumulated Fund	62,355	86,753
Cash and Cash Equivalent at the end of the year	168,302	103,180
Auditor's Opinion (Auditor General)	Audit Opinion In auditor opinion: a) Proper books of account have been kept by Consumer Council of Fiji, as far as it appears from auditors examination of those books, and b) The accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards for small and Medium-sized Entities: i. Are in agreement with the books of account; and ii. To the best of my information and according to the explanations given to me: a) Give a true and fair view of the state of affairs of Consumer Council of Fiji for the seven months period ended 31 July 2016 and of the results, and cash flows of Consumer Council of Fiji for the year ended on that date; and b) Give the information required by Consumer Council Act, 1976 in the manner so required.	
Gender Analysis	<ul style="list-style-type: none"> Under the Mobile unit awareness was created in public, it was noted that 486 males and 411 females directly benefited from this. Council visited the Community to reach out and support the most vulnerable customers and Council targeted the women's clubs. 	

Prepared by Shrutkeertes Devi Email: shrutkeertes.devi@govnet.gov.fj 2 May 2018



Guiding questions

- 1) Can you outline the process/steps taken after receiving complaints from customers?
- 2) How does CCOF measure and evaluate its performance and service delivery to customers?
- 3) What are some of the major challenges faced by CCOF and how have these been overcome?
- 4) Highlight some of the CCOF's future plans?

2 May 2018

Disclaimer

The Annual Report Summary was prepared to assist the Standing Committee on Social Affairs in its review of the Consumer Council of Fiji 2016 Annual Report. Although every effort has been made to ensure accuracy, it should not be taken as a complete or authoritative guide to the Report. The Research and Library Team shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice. The Research and Library Team accepts no responsibility for any references or links to, or the content of, information maintained by third parties. Other sources should be consulted in the review of the Report.

Prepared by Shruti Kestee Devi Email: shrutikestee.devi@govnet.gov.fj 2 May 2018

APPENDIX 4: VERBATIM REPORT ON THE SUBMISSION BY THE CONSUMER COUNCIL OF FIJI

VERBATIM NOTES OF MEETING OF THE STANDING COMMITTEE ON SOCIAL AFFAIRS HELD IN THE SMALL COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON 29TH MAY, 2018 AT 1.25 P.M.

Interviewee/Submittee: Consumer Council of Fiji

In Attendance:

- | | | |
|----------------------|---|---|
| 1. Ms. Premila Kumar | - | Chief Executive Officer |
| 2. Ms. Bindula Devi | - | Senior Manager Corporate |
| 3. Mr. Tevita Vuibau | - | Manager, Campaigns, Information & Media |

ACTING CHAIRPERSON.- Thank you. Honourable Members welcome back to this afternoon's sitting. Here with us is the team from the Consumer Council of Fiji comprising of the CEO – Ms. Premila Kumar, the Senior Manager Corporate Services – Ms. Bindula Devi and the Manager Campaigns, Information and Media – Mr. Tevita Vuibau. Here with us are the Honourable Members of the Standing Committee. On my left is Honourable Salote Radrodoro and Honourable Anare Vadei. We would like to take this opportunity to thank the team again for availing yourself to come down and present your submission to us. After this we will give you the floor to go ahead with your submission in between the Honourable Members would be raising supplementary questions. So in the meantime welcome back again I now give you the floor to proceed with your presentation Ms. Kumar.

MS. P. KUMAR.- It is with much pleasure I present our Council's 2016 Report. Thank you for this opportunity and I will start off with my presentation. I will be talking about the organisation itself, the policies we have in place, the organisation structure, budget allocation and some of the questions that were given to the Council to respond to.

And I must say the idea of giving out questions was a very good one, thank you for that.

HON. A.T. VADEI.- Forewarning you.

MS. P. KUMAR.- It is more like you know exactly what to present on. 98

About the organisation, Consumer Council of Fiji is established under the Consumer Council of Fiji Act 1976. We are a Government Statutory Organisation. We come under Ministry of Industry, Trade and Tourism. Ministry of Industry, Trade and Tourism establishes the Board and the Board appoints the CEO. We have seven board members but one resigned in December 2016 so we are left with six board members. We have three offices in Fiji; Lautoka, Suva and Labasa. Suva is where the headquarters is and we call Lautoka and Labasa as our regional hubs. In terms of staffing, total of 31 staff which includes the volunteers we have been hiring in between to get the work done.

The role of the Council - this particular section gives the wider power to the Council and this is under Section 6(1) of the Act, says:

“The functions of the Council shall be to do all such acts and things which it may consider necessary or expedient to ensure that the interest of consumers of goods and services are promoted and protected.”

So the Consumer Council of Fiji is not here only to look at goods but also services.

The functions of the Council as per the Act, often we find that people are confused with the role of the Council. What we do is based on the Act itself which states “... that we have to advise the Minister on such matters affecting the interest of the consumers”. So when it came to data bureau we had to advise the Minister, we had to lobby for this change. Same thing happened with third party insurance, we had to lobby over the years to convince the policy makers that there should be a change. We make representation to the Government as well, and often we do presentation, we make submissions, particularly when the submissions are called for and we feel that that particular subject is of importance to consumers and we need to make this submission because by making the submission we will be protecting consumers’ interest.

We also collect, collate and disseminate information in respect of matters affecting the interest of consumers. We often do this through our investigation, through our research work and we have published a number of research papers, we have published books, in fact for the first time, like insurance, pharmacy, we have done hire purchase and we have done banking services. Our conduct research and investigation: this normally happens when consumers lodge their complaints.

Conduct research and investigation. This normally happens when consumers lodge their complaints. We do conduct research, we do conduct investigations to understand what is the problem, why did the problem arise and how can we find a solution for the consumers.

We advise and assist consumers on matters affecting their interests. This we do on a daily basis, when consumers call and they seek our advice or when they want to know what can be done, how it can be done, if there is a problem they need a solution. So we advise them and then we encourage them that if you want us to look into your complaint, you need to lodge your complaint, advice will not work here.

We also give evidence at any investigation or enquiry and finally we support or maintain legal proceeding, contemplated or initiated by a consumer. So you can see this is where when it comes to legal proceeding, Consumer Council cannot take matters to court as per the legislation. But we can assist a consumer who has initiated a legal proceeding.

The Council’s Legal Mandate. We are an advocacy organisation, the only thing we can do is we can lobby for policy changes so that reforms are made on the ground which can benefit consumers. And Consumer Council is definitely not an enforcement agency.

Services offered by the Council: We have got a number of divisions within the organisation. We have a division that deals with Campaigns, Media and Information Services. This is where they

do a lot of education and awareness related campaigns. There is a division that deals with Research and Policy Analysis, then we have Consumer Advisory and ADR services which is mediation related work when consumers lodge their complaint either through Consumer Helpline, through email, through phone calls, through letters, in person or whichever medium they want to use. So, all those complaints comes under consumer advisory and ADR services.

In 2014, we started a new service, which is the Debt Management and Consumer Credit Advisory Services, that is, we felt there was a need to set up a separate desk that deals with financial matters. There was a big need for this considering that the enforcement agencies dealing with financial matters were not doing the job that they were supposed to be doing and that was purely because of the legislations that did not capture the current issues.

In 2016, we had set up the National Consumer Helpline and appointed a manager to look at how this particular programme could be rolled out.

For 2016 that is for the seven months, we received a grant of \$661,587.

For the Organisation Structure, you can see that we have got various divisions starting with Research and Policy, we have three staff; ADR and Consumer Advisory Services, we have got four staff then we have got Administration, Finance and Project Management, we had five staff under that division and Campaigns, Information and Media we have three staff. Then we have Labasa Office and Lautoka Office with three staff each.

Now we come down to some of the questions that were raised by the Committees and we start off with the first question - *How effective is the National Consumer Helpline?*

Let me say that this particular platform which is National Consumer Helpline was set up and it provides a very easy access for consumers to either lodge their complaints or seek advice.

The good thing about National Consumer Helpline (NCH) is they can seek this advice, or lodge their complaint anywhere they are, so long as they have a phone in their hand. And this facility is open 24 hours a day. From Monday to Friday official hours, we have a Call Centre which attends to all the calls that are coming in, but for the weekend, the messages are recorded and then when it comes to Monday all the calls are heard and then the staff in the Call Centre return calls and talk to the complainants. It is a Toll Free Number 155 and irrespective of which telecommunication company they subscribe to, they can make this call, so that is the beauty of this NCH.

How effective is it? As soon as it was launched on 14th July, 2016, that is two weeks before the national financial year ended, that is 31st July, 2016, we received or registered 125 complaints and 63 consumers sought advice from the Council.

We have seen the number grow in the 2016 -2017 financial year. We received 7,422 calls and half were genuine calls with real issues that the Council had to attend to. So, NCH is effective because it captures issues immediately as it happens, where it happens and when it happens. Like, for example, the recent programme launched by the Government which is the Home CARE Initiative, Farm CARE Initiative, we started receiving complaints. So, in a very quick way, we are able to look into those issues and start working with other agencies to find solutions.

Moving onto the next question: *Can you elaborate on the role of the Fiji Mediation Centre (FMC), and who all are benefitting from it and how?*

Let me make it very clear that FMC was established by the Judicial Department and the role of the Council was to raise awareness on FMC, and to assist the Judiciary in developing the rules, et cetera. So, we were basically providing that Secretariat or support role because we saw the need for FMC and we felt that this is very important for consumers if they have disputes, they can use FMC and find solutions. And all our work in relation to FMC was funded by European Union.

The other nature of complaints that it solves, FMC resolves family disputes, commercial disputes, consumer disputes and there is no restriction. In fact, any type of civil dispute can be mediated. There is no limit to the type of dispute as well as the value of the claim which is under dispute, unlike Small Claims Tribunal where there is a value attached to it, anything over \$5,000 cannot be taken to Small Claims Tribunal, but for FMC dollar value is nothing, anyone can take the matter.

FMC has facilitated mediation in a range of commercial areas such as banking, construction, information technology, insurance, partnership, shipping, tenancy disputes, et cetera. They also offer small case mediation scheme that helps parties to settle small disputes such as claim of \$50,000 or even less. Typically, cases include those involving tenancy, car repairs, renovation matters, et cetera.

So, far, FMC has conducted 45 cases and the mediation success rate was 87 percent. The good thing about FMC is, whatever is mediated, a settlement is drawn and the settlement is then enforced as the order of court. So, it has got a legal attachment to it, unlike the mediation which we hold at the Council.

HON. A.T. VADEI.- Supplementary question. First of all thank you very much for coming forward and the presentation on the Annual Report. My question is on the FMC, how long does it take to resolve cases, because it does not go to court, it is settled outside?

MS. P. KUMAR.- Unfortunately I will not be able to answer that question because we are not involved in the mediation work. The Council's role was only awareness raising so that more and more people can start using the Fiji Mediation Centre. But we do have Bindula, one of our Senior Corporate Managers. She is a trained mediator so when we talk about Fiji Mediation Centre, they have a number of trained mediators from different fields so when they need a mediator, the choice is left to the two parties who want mediation to be done. So they decide who the mediator will be and then the mediators are called in. So that is how far the Council is involved. But when it comes to the real mediation, the processes et cetera, we are not involved.

ACTING CHAIRPERSON.- Supplementary question, Honourable Radrodro.

HON. S.V. RADRODRO.- Thank you, Mr. Acting Chairman and thank you for the presentation. Still on the mediation, this is the Mediation Centre with the Ministry of Labour.

MS. P. KUMAR.- Ministry of Justice.

HON. S.V. RADRODRO.- Oh, justice!

MS. P. KUMAR.- Yes.

HON. S.V. RADRODRO.- All right. So it is a new one.

MS. P. KUMAR.- Correct.

HON. S.V. RADRODRO.- You use it but it is kind of beyond your control.

MS. P. KUMAR.- We do not use it. There are two levels of mediation. For example, the complaints that come to the Council, the Council's staff will mediate and try to solve it. But then when there are complex cases we are not able to solve and we simply tell the parties that you can seek remedy from the court, then they can decide to use FMC which comes under the judicial services. So that way as you can see, whatever is decided through mediation, it is enforced as orders of court. So it has got a legal attachment to it.

HON. A.T. VADEI.- The process is not with you, it is with Judiciary?

MS. P. KUMAR.- Correct.

When it comes to FMC, the key role for the Council was to assist the Judiciary because we had the funds for them to set it up and provide that Secretariat support and to do awareness raising, and as part of the awareness raising for 2016, we had a number of television advertisements going on, we had a stakeholder forum where we tried to entice the financial sector and other sectors to use FMC because it is a better way of finding a solution than going through the court system. So that was the Council's role.

ACTNG CHAIRPERSON.- Supplementary question, Honourable Radrodro.

HON. S.V. RADRODRO.- Yes, thank you, Mr. Acting Chairman. We will just go back to, I think it was on Question No. 1. You had highlighted about 7,422 calls and half of that are genuine. So, what could have been the cause of those calls not being genuine?

MS. P. KUMAR.- In total, we received that many calls and in terms of the cost

HON. S.V. RADRODRO.- The reason. Could it be that people are not well informed of what could be referred to the Consumer Council because it is a big number? If it is half of that, it is about 3,711.

MS. P. KUMAR.- I think one of the big problem is no matter which agency has set up a helpline, there is always a tendency of non-genuine calls. This is the prank calls that the public is making and when I say "public", it is normally the little children who want to play around with the phone so they have been making such calls and this is where the problem is. But if a consumer genuinely makes a call and if it is even not to do with consumer complaint, the Council still attends

to those complaints and we refer them, we advise them that maybe this matter you can take it to another Ministry or this is how you can tackle the issue.

HON. S.V. RADRODRO.- And just on to the budget, you had mentioned that you got that grant from the Government. What other budgetary source do you have?

MS. P. KUMAR.- Other budgetary source is the donor funds. It depends upon the proposals we write and how appealing it is to the donors and whether we fit their agenda or not and when we do, then we get the funds.

HON. S.V. RADRODRO.- You had mentioned that you are not an enforcement agency and if that is the case, then who then enforces?

MS. P. KUMAR.- Enforcement agencies are many, depends upon what the issue is because consumers can face a number of issues, if it is to do with say, a vehicle. As a consumer, you were driving on the street, you were booked wrongly and you were aggrieved about it. So, that becomes an LTA matter and LTA becomes the enforcement agency. But when it comes to real products that we buy then such matters can be dealt with by the Fiji Competition and Consumer Commission (FCCC). If it is to do with a health related matter, where the doctors have not attended to the case the way it should have been, then again it goes to the Dental and Medical Secretariat because they are the enforcement agency. So, the enforcement agencies are varied, based on the nature of complaints.

ACTING CHAIRPERSON.- Thank you, you can go ahead now.

MS. P. KUMAR.- Moving onto the next question: *What are the benefits of Data Bureau Limited to the Council?* At the outset, I must say that the Data Bureau Fiji Limited was not beneficial to the consumers and the reason was, that they had a very poor record keeping on consumer's credit worthiness. We saw that Fiji Data Bureau became an obstacle to consumers who really wanted to access credit to improve their quality of life and it was a privately owned company. As a privately owned company, it operated under a disclaimer and they were dealing with personal private information of consumers. So, from the beginning what we were saying that, "yes, we need a credit reporting agency" - a credit reporting agency that can be held accountable and responsible and a credit reporting agency that is established under some law and some regulations.

We started lobbying for Data Bureau to be regulated and our campaign started like 10 years ago, based on the complaints we were receiving and what was of major concern was, that when Data Bureau was operating under a disclaimer, they were not taking their very paying members responsible for the information that was given to the Data Bureau. So, they were not holding them accountable. Any of these members could give in any type of information but when the consumers said that this information was incorrect, they were not ready to change it. They will say "okay, you have to go and deal with the trader." But the information was with Data Bureau, why should I go and deal with the trader.

Such issues were there and we felt that this agency needs to be regulated. There were two other issues when the names were uploaded on the data system, the consumers were not informed that your name is on the data. So, when you go out shopping and you want to access credit, then

suddenly you are told that your name is on the Data Bureau. We have come across cases, as small as \$40, the names were uploaded and it simply means this name will not be erased for the next seven years.

Consumers were frustrated with that and we could understand their frustration and that is why we started lobbying for a change. Now we have this enactment of Fair Reporting of Credit Act and we are happy with this legislation. At least it will hold any credit reporting agency accountable for the information they put on the data. If the information is incorrect, the consumers can seek for remedy and they will have to provide the remedy. At the end of the day, they will also prepare a compliance report where they will be able to say how many complaints they received and how long did it take for them to resolve this complaint. Even the minimum amount that can be uploaded, if a consumer has not cleared is like \$300, anything below \$300 will not go on the data. It simply means that the agency or the trader has to take the matter through Small Claims Tribunal or other mechanisms to recover the debt, but not use this credit reporting system as a way of recovering debt because that is not the role of a Credit Reporting Agency.

ACTING CHAIRPERSON.- Thank you. You may go ahead now.

MS. P. KUMAR.- The next question is on Resident Interest Withholding Tax. The question is: *The Council did a snap-check on all banks and what is the current update on the above?*

This particular snap check on all six banks was done in 2016 based on a complaint lodged at the Council. The complainant came forward and in 2015 in fact he lodged a complaint saying that ANZ has wrongly charged Resident Interest Withholding Tax. At that time ANZ charged this person 31 percent, but the Tax Resident Interest Withholding Tax had changed over a period of time. For example, during the Budget announcement, it was announced that from 2016 the Resident Interest Withholding Tax will be 10 percent and 20 percent was for the period 2012 to 2015 and 31 percent was for 2011. So, if 31 percent was charged in 2015, it simply means that ANZ Bank was not alert. So, that made us think hard and we in fact did talk to ANZ Bank and they rectified the problems and we left it there. But when the problem again surfaced in 2016 then we said, “no, we have to conduct this snap check” and we decided to do this with all the banks. To our surprise we found that it was not just ANZ that was charging 31 percent but the other banks were charging 20 percent in other words they did not move to 10 percent, which they were supposed to charge.

This Resident Interest Withholding Tax is a final tax which means it is deducted at the source by the banks and it is remitted to Fiji Revenue Custom Services as a final payment. But what was even disappointing for the Council was that when we had highlighted this particular issue and we said, “how are you going to rectify, how are you going to fix this and how are you going to adjust?” They said, “oh, but we have given the money to FRCS, consumers have to recover the money from them.” But our argument was, “you made an error, you have to give the money.” Why should the consumers be running to another agency to get the money from them? So, for us it was an eye opener from the point of view that we have financial services and who regulates them? Who is going to charge them for such a big mishap? No one charged them. Life as usual. They just told us that we will do the adjustments and we had to warn the consumers that you need to check the bank statements. It is for this reason that we still feel today that we need to have a better enforcement agency to deal with financial matters. We cannot just allow the financial sector to operate the way they are doing now.

Looking at the queues from other countries like for example, there is a banking commission set up in Australia and some of the findings that has been revealed is a shocker. Generally we have found that in Fiji most consumers are not financially savvy. They just do not understand. They just trust the banks and other financial institutions. But a case like this reveals that we do not know what would be happening to our interest rate as well when we take home loans and other products from the financial sector. It is only when a complaint comes when you start analysing then you see the problem.

ACTING CHAIRPERSON.- Supplementary question, Honourable Vadei.

HON. A.T. VADEI.- Last Sunday I was watching *60 Minutes* regarding the ANZ bank in Australia. I saw that there were some mishaps going on. What is the Council going to do to advise the Government on a regulatory body to supervise and monitor because the vulnerability of the consumers are now at risk because of banking system and the fees they charge; people should be made aware of this.

MS. P. KUMAR.- I think if you go back to the banking sector history, it was in 1999 that the first bank inquiry was held and a report came out but unfortunately after that nothing happened.

In 2010, for the first time Consumer Council was able to bring the banks and consumers face to face so that we could discuss some of our grievances with the bank. When we did that in 2010, there was a retaliation from the banks. They were not willing to participate during our World Consumer Rights Day but ultimately they did come to the table and from that day onwards the Council started doing a number of research in that area, like for example we have come up with the banking report. Our report talked about the different fees and charges being charged by the banks. At that time some of the charges were unreasonable and they were not even practical. Like, for example, if I write a cheque to you and the cheque gets dishonoured. So, rather than taking the writer of the cheque, they also penalise the receiver of the cheque.

HON. A.T. VADEI- Yes.

MS. P. KUMAR.- So, it was just crazy.

HON. A.T. VADEI.- Both sides.

MS. P. KUMAR.- There were a number of issues of that nature and during that time we had made a submission to then Fiji Commerce Commission along with retailers association and other private sector organisations and NGOs as well and we said that we need the banks to be scrutinised. So, when we did that then later on the same year Reserve Bank of Fiji abolished about 10 different fees and charges. They said, “Alright, we wipe it out.” But that was done immediately which was alright, it is good but looking at the way the financial institutions are operating, I strongly feel there is a need to look at the financial services sector in detail. We were also lobbying because we had done a review of the Consumer Credit Act because this Act is a very important document that decides the rights and responsibilities of a consumer who want to access credit as a borrower and also the rights and responsibilities of a lender. Even in that particular legislation we found lot of laws which we felt was not really the treatment consumers should get.

As I said, we do an Issues Paper, we prepared the Issues Paper, we submitted it to the Government and I must say last year 2017, the Government started reviewing the Consumer Credit Act. So that is another very important document that is being reviewed. So, we are happy with this progress but all in all I still feel that often the public, the policy makers we get side tracked by simple consumer issues such as the shopkeeper selling a particular product at a higher price. We get side track with these small issues. But the bigger issues like financial services sector, we are not drawing our attention towards that particular sector and I think it is time that we should start looking at the financial services sector because is not just the banks, it is also the insurance sector. We are also talking about other financial lending institutions which do not come under the radar of the RBF. How can we make sure that this institution also come under the radar of RBF. So, there is a lot of problem. I am saying this because we have been handling the complaints and we know what is happening in that sector.

ACTING CHAIRPERSON.- Anymore supplementary questions, Honourable Members or we jump on to the next question?

MS. P. KUMAR.- The next question is: *How successful is the Council with its discussion with stakeholders involved in property insurance?*

In 2017, we made that particular financial year as a year for Children Services Sector. We wanted to really focus on the various types of insurance products that were sold in the market, that is, property insurance, health insurance and we also looked at third party insurance. So three sectors we had looked at and that year we had different forums to debate and discuss issues of concern to different stakeholders. So we had a workshop with the Property Insurance and when we did that we invited almost everyone, we did not miss out anyone. Engineers were there, the policy makers were there, we had the surveyors in the room, we had builders in the room, Insurance Council, Insurance companies; everyone was there. And we talked about the problems faced by consumers when they want to buy a property insurance like cyclone cover, what problems do they go or when they want to buy a flood insurance cover to protect their homes and it was revealed that only 10 percent of households were covered under property insurance which is very little for a country that faces natural disaster.

We talked about the various problems consumers face, for example, one of the simplest problem is when you buy an insurance cover, you do not know what is covered. There is no such thing as Product Disclosure Statement. In Australia if you buy an insurance cover, they will give you in a simple form, one pager, it is call Product Disclosure Statement which tells you exactly what this insurance policy covers. You can take that Product Disclosure Statement and you can go to another company, get their product disclosure statement, you can compare the two and then you can make an informed decision which one you will sign. But in Fiji's case, we do not have such a system. What we do have, in fact I always say that we are better off when it comes to hire purchase because when it comes to hire purchase at least the law says that there has to be a pre -disclosure statement, where the hire purchase company must give one pager information on the product you are buying, what is the total amount, what is the interest rate, what is the payment amount, et cetera. So at least some detail is given but when it comes to an important product like insurance, such information is not there.

And again when we were discussing this particular sector we also highlighted one of the bigger grievance because when it comes to property insurance, the Insurance Council comes together and they normally say, “if you want a property insurance, cyclone cover et cetera you have to meet all these requirements before we will give you a cyclone cover” in other words we have to go through the engineers to get the Engineers Certificate and to get that almost often the requirements keep changing. As a consumer we have to meet that because if we do not the insurance companies which come under the banner of the Insurance Council will not give you a cover. But on the other side when it comes to regulation, what is even more disturbing is there is no standard code of conduct that guides the insurance agents. Every insurance company can have their own code of conduct, why? They are very quick at imposing conditions for consumers but why cannot the public demand that there should be one standard code of conduct, not that when the insurance agent has duped to you and then you want to look at the code of conduct, it will be different from another company. So these are some of the grievances that we highlighted.

So going back to the question, how successfully it was? Normally when it comes to issues of this nature we do not expect a success story immediately because it takes time for issues such as this to sink in, for people to think about it and for a response to come out. But having said that I can say with confidence that some progress is being made in this area. For example, the 2016 RBF Report clearly states that they are reviewing the Insurance Act which is the first step and a very important step because that is where we can always say that we want Product Disclosure Statement, we want a code of conduct, we want other aspects to be included in the Insurance Act.

In March 2017, that is, immediately after, we had this workshop in August 2016 but in March 2017 the Insurance Council of Fiji headed by the Chair of Insurance Council of Fiji, Ms. Sarah-Jane Wild. She had brought, Professor Geoff Boughton. He was a Consultant for the Insurance Council and the idea was to have a discussion with the Consumer Council because we were very vocal about the issue. The consultant had a good discussion with us and the idea, the simple story was how can we do a simple strapping of the roof, so that low cost housing can be covered under insurance. In other words there would be a product that the insurance companies can sell which would be related to the roof only.

What surprised us was actually there was a “yellow book”. In the building sector everyone knows what a yellow book is. The yellow book was developed in 1985 after those big cyclones we had in the country and it simply guides home owners on how to upgrade their existing homes to meet the cyclone requirements. This yellow book was the initiative of Insurance Council of Fiji, and all the strapping of the roof, the design, et cetera, is clearly stated in the yellow book. But the irony was, that the Insurance Council were not offering any insurance cover for the yellow book. So if I am compliant, I do not get the insurance cover. That is the irony. So we were pushing for this change and this is what has come and I know they are still working to come up with an insurance product where low home income earners will be able to cover their house, only on the roof structure.

Then besides that the Consumer Council is working with the Fiji Masters Builders Association to ensure construction companies are licensed. And we are a member of the Construction Industry Council because what we are trying to do is, we want to hold these construction companies accountable which includes architects, engineers, civil contractors, insurance providers, surveyors, valuers, et cetera.

At this time it is ironical, I mean it is really strange, we can hold lawyers accountable through the legal system, Legal Practitioners Unit, we can hold doctors accountable through the Dental Medical Secretariat, but we cannot hold these contractors and builders accountable. They do not come under nothing. So, we are working with this Construction Industry Council and the idea is to then focus on this yellow book as well so that insurance cover can be purchased by low income earners. So that was on the insurance.

ACTING CHAIRPERSON.- Thank you. Any supplementary questions, Honourable Members? Let us proceed, Ms. Kumar.

MS. P. KUMAR.- Moving on, the next question: *What has the Council done to rectify the counterfeit goods coming into the country and how has the consumers benefitted from this?*

I must say that the demand for counterfeit products in Fiji is driven by the high prices of branded goods. If you want to buy *Gucci*, you know how much you will be paying, but if you buy a fake one, the price is less. So, there is a demand by consumers for branded items which are fake items or counterfeit items, but from the Council's perspective, our major concern is the safety of consumers. If consumers are buying clothes, that is all right. If you are buying hand bags, that is fine, if you are buying shoes, that is fine, but if you are buying medicine which is fake, it is not good or if you buying fake cosmetics, again that is unacceptable.

So, when it comes to safety, that is where counterfeit products are not good for any person. Unfortunately, there are very limited standards we have for imported goods coming into Fiji and what we need to work on is standards, because if we have standards then some of these items will not reach the country, but if we do not have standards, then anything and everything can come to Fiji and that is the current story.

In regards to counterfeit products, we did a big awareness raising in 2012 and that is when we had this international body called COPOLCO that held its first ever major conference in Fiji and the topic was on counterfeit products and we invited the private sector, we invited everyone. Because for any awareness and if you want a change, first you have to put the issue on the agenda and our job was to get everyone in the same room so that we start talking about this subject. But almost every year we are making our submission through budget submission that what we need is the improvement of standards in the country so that consumers are safe when they buy some of these products.

What we have been doing? We have been conducting market surveillance and when we pick up some products, we are actually raising awareness and basically informing consumers how they can identify counterfeit products. For example, if you buy perfume, how would you identify this is a genuine perfume and this is a fake perfume. So, we are doing that kind of awareness raising as well, while waiting for standards to be developed or some solid enforcement agency to be created to deal with counterfeit products.

HON. S. V. RADRODRO.- Supplementary question on the medicine. Like I had this experience going to the pharmacy, I just gave the prescription and then I was asked whether I wanted the generic or the loose one. And then I said, "what do you mean "loose one?" Then he said, "it is cheaper." I said, "okay, let me see both", and like you said we do not know what is the difference

because they very much look the same except the packaging; one was in a sealed container whereas the other was in a satchel kind of thing, where you just pop it and it was way cheaper. The one in the thing was like a dollar for a satchel whereas the one in the bottle was almost \$30. I stood there and I watched and I said, “You know, if you had not showed me that one, I would just buy and go.” But you feel like, am I running the risk of buying the cheaper one? They very much look the same.

MS. P. KUMAR.- In fact what you find in the market is two types of product, it is called generic and the other one is patent or branded. So the branded one is the one that is more expensive and because it is under patent, so other companies cannot make that and they are recovering the company that discovered that particular medication is trying to recover its RND cost. So it is not open for other factories or pharmaceutical companies to make. So when the patent is lifted, that is when the same product can be made by other companies, they can change the colour, they can change the shape but the ingredient used in the medication is still the same. So then it is given the name of being a generic. But here we are talking about fake medication and for Fiji I think there is a very tight control on the medications that are coming in. But then people can buy medication even online these days, so it is a bit of a worry on how you contain such a thing.

ACTING CHAIRPERSON.- Thank you, you may proceed.

MS. P. KUMAR.- Then there was the other question: *Is there any initiative put in place by the Council to address unfair dealings?*

I think the work of the Council is to address unfair dealings. Every time we come across unfair trade practices going on, and how do we deal with that. As I mentioned earlier on, the Council is not an enforcement agency. It is a fact of life that no matter where the traders are, there would be certain traders who will engage in bad business practice and that happens everywhere in the world but the idea is how do you deal with them.

So, what we do is, we conduct market surveillance. In other words, we go out in the market and we look at the products, we look at the services and then we write to the traders and service providers, we take pictures, if we find any breach we bring it to their attention. We also inform the regulators and enforcement agency of any breaches we find. Consumers are also very helpful, they also take pictures, they send it to us so we conduct our investigation and then we forward it to the enforcement agencies for further investigation.

If you recall when the Value Added Tax (VAT) was reduced from 15 percent to 9 percent, that is when there were a lot of breaches in the marketplace and I would like to thank consumers, there were a number of them who came forward with evidences and that is where Fiji Revenue & Customs Services (FRCS) were able to collect \$700,000 in fine from the businesses that were not complying with the VAT reduction. So we are relying on consumers as well to come up with evidence.

We also do press releases and consumer alert in the papers. In other words, we pay money and we publish these small messages in the newspapers alerting the consumers not to buy a product or do not engage in the services of a particular trader. We have done that. We also use our *Facebook* to alert consumers and the Council is also a member of various boards and committees where we are able to highlight the emerging consumer issues and we engage with that particular board and

committee to see how we can control and address some of these issues that are emerging. We also strongly lobby for establishment of Consumer Complaints and Compensation Tribunal because we still feel that consumers will be able to file their own claims and they can get the redress.

Moving on, the next question is: *What has the Council done to rectify complaints related to utility problems?* There are complaints we are receiving against EFL known now but before FEA and Water Authority of Fiji. It is the constant problems that we have to deal with along with the telephone companies. What we do is, we do public awareness? We also engage with the utility service providers. When we handle the complaints, we are able to identify what the problem is. I will give you an example of a submission we have just made in our national budget submission for this year. While handling the complaints, we have found that there is a provision within WAF's legislation where, say for example, if the meter is registered under your name and you are a tenant and I am the landlord. If the tenant has not paid the bill, the landlord will have to pay the bill even though the meter is under your name. Now, do you think that this provision is unfair but that is what the law says, whereas EFL or FEA, the law says, it is the meter owner who will be held responsible if you do not pay your bill, which makes sense? So we feel that this particular section within the WAF legislation needs to change because if we have that provision, that provision makes the landlord accountable. So if I am a landlord and suppose there are some squatters living faraway, I will not even give them my premises to put their meter because if the meter is in my premises, I will be held accountable; so where will they put the meter? And we also found that provision, anti-investor. If I am an investor and I own a number of flats and if my tenants do not pay the bill which means I have to pay the bill, so that becomes anti-investor. So by handling complaints we come across such issues then our job is to highlight this issue to the Government so that remedies can be given to the consumer but besides that the policy can be changed.

The next question is: *Looking at the top 10 complaints received, the most being electronic good which stood at 21 percent, what has the Council done to reduce this?* Again, the Council will not be able to reduce the number of complaints that are coming to the Council. The thing we can do is, we can address those issues and find a solution to the problem by providing redress to consumers because what we need over here is standards for electronic goods coming into the country. We have been naming and shaming unscrupulous traders. From our hire purchase report, we have found that most of these electronic products that coming into the country, these are brands without factory in other words these products are coming from China and they do not have a dedicated factory. Like if it is Hisense or a particular brand then it is this particular factory only specialises in that brand.

In fact the factory today will make refrigerators, tomorrow it will make washing machines, third day it will make microwave. That is why we call it, they are brands without a factory. That was revealed in our hire purchase report. We are lobbying for standards for electronic products, so if we have standards, there will be much better control. We have in fact participated in awareness programmes for traders which was organised by FCCC on white goods where we were able to share some of the complaints we received, what needs to be done, what the law says, et cetera.

ACTING CHAIRPERSON.- Any questions, Honourable Members?

HON. A.T. VADEL.- Supplementary question on that

ACTING CHAIRPERSON.- Supplementary question, Honourable Vadei.

HON. A.T. VADEI.- These companies selling electronic products, they are only selling but not installing. This is the problem we face with some of the consumers, like electronic showers. They said that we had to pay another fee for someone else to install. They sell the product but cannot install it, like some big companies such as R.C. Manubhai and Vinod Patel. I have been shopping around and I face a lot of difficulties.

MS. P. KUMAR.- And that is where the dispute can start because the product is someone else's but you are using another electrician.

HON. A.T. VADEI.- These are some of the problems that we face with electrical products. They are selling it wildly, there is no control.

MS. P. KUMAR.- I think the companies generally focus on simply to sell, sell and sell.

HON. A.T. VADEI.- But not installing and maintaining it.

MS. P. KUMAR.- Yes, the backup service is very poor.

ACTING CHAIRPERSON.- Thank you. You may go on to the next question, Madam.

MS. P. KUMAR.- The next question is: *Looking at the top 10 complaints received, the most being, okay, we have covered that.*

The next one: Out of all the registered complaints, how many cases were resolved in 2016? What is the response time? In that 7 months we received 1,365 complaints and we resolved 1,011 complaints for the same year. The response time for simple complaints can be the same day through email. If you write to them and they simply say, alright we will provide the redress, matter is closed.

However, complex complaints can take up to 4 weeks but some cases can take a number of months to conclude. I can tell you we still have got a complaint that we are handling, it has taken us one year and still not solved. We are progressing slowly on that one because this is a case of a consumer who had to pay \$90,000 to a lawyer for a simple case and the issue was related to a financial institution so the lawyer was engaged by the financial institution. The consumer was not directly involved in the payment of that \$90,000 so we are asking for accountability of that \$90,000. Like you have to account for it.

HON. MEMBER.- One nine?

MS. P. KUMAR.- No, nine zero.

They had given us a breakdown but we are not satisfied so that means we have to go back to the court, dig the folders to understand how many cases, how many sittings, what papers were filed and why are we doing this? We are doing this so that if this matter goes to the Legal Practitioners Unit, half the work is already done and the decision can be quickly made. So, it depends upon the nature of complaints. We also handled a complaint where an Australian tourist booked a home in Sigatoka under Airbnb. The owner of the property lived in Australia and the tourist was also from

Australia but the property is in Fiji. She did not experience a very good service as compared to what was advertised and what was given to her. She had to leave that place and she wanted a reimbursement. We were liaising with this particular person based in Australia and he refused to come forward. He agreed then he did not respond. So, that is where we had to go back and check all the records, who is the owner of the company, whether his business is registered. Ultimately it took us about nine months and he reimbursed the money. It takes time.

And then it says on Page No. 9: *What has the Council done to address the issue encountered during TC Winston to redeem the consumer's cyclone and flood insurance cover in order to safeguard their interest?* We have assisted consumers who bought goods under the insurance cover. So, when consumers buy white goods some of these goods come with insurance cover. So, after the cyclone, some of these companies were not even willing to look at the insurance cover. They said, "no, you are not covered." So, when the consumers brought the issues to us we were able to assist them so that they can get their claims. So, that is how we assisted them. I think, this is the last question.

ACTING CHAIRPERSON.- Yes, the last one, Madam.

MS. P. KUMAR.- *What is the update on the variable tax rate on SSBs based on composition of added sugar of 100 ml as consumed being an issue raised during the National Budget Submission?*

This was our submission, the Council made a submission. Our submission was, let us base the tax rate on the amount of sugar in the drink. So, if a drink has got too much sugar then you should be highly taxed. If it has got less sugar, less tax. But our submission was not accepted and I understand that simply because it would be very cumbersome from tax monitoring point of view. How do you measure? Who is telling right? So, it was better for the Government to come up with a simple tax rate which was 20 cents per litre which we accepted and I think it did make sense. So, that is the end of my presentation, Acting Chairperson.

ACTING CHAIRPERSON.- Thank you. Any other supplementary questions from Members or any comments?

Thank you once again for a very brief and enlightening presentation to the Standing Committee on Social Affairs. Your presentation this afternoon will definitely assist the Standing Committee on Social Affairs on our deliberations and our submission before we finally report back to Parliament.

On behalf of the Standing Committee on Social Affairs, I take this opportunity to thank you once again for coming this afternoon. Thank you and *vinaka vakalevu*.

The Committee adjourned at 2:28 p.m.